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WEBSTER VOLUNTARY COUNCIL ON AGING, INC.

Minden, Louisiana

FINANCIAL STATEMENTS

June 30, 2014

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date APR 08 2015

WEBSTER VOLUNTARY COUNCIL ON AGING
INC

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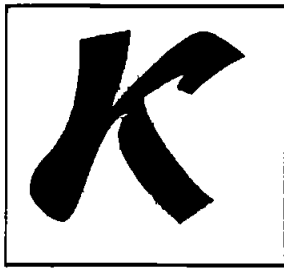
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Roland D. Kraushaar

Certified Public Accountant

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Webster Voluntary
Council on Aging, Inc
Minden, Louisiana

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities each major fund, and the aggregate remaining fund information of the Webster Voluntary Council on Aging, Inc ("Council"), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements as listed in the table of contents. The financial statements of the Council as of June 30, 2013, were audited by other auditors whose report dated July 27, 2013 expressed an unqualified opinion on those statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Council, as of June 30, 2014, and the respective changes in financial position and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

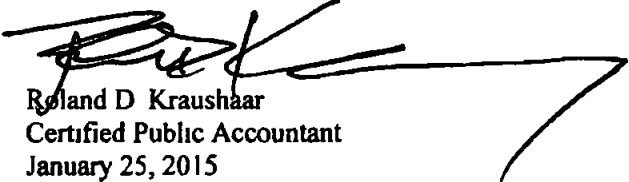
Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4-11 and 41-44 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or

provide any assurance

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards* I have also issued a report dated January 25, 2015, on my consideration of the Council's internal control over financial reporting and on my tests of other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of the testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Council's internal control over financial reporting and compliance.



Roland D. Kraushaar
Certified Public Accountant
January 25, 2015

Webster Voluntary Council on Aging Inc
Management Discussion and Analysis
June 30, 2014

The following discussion and analysis of Webster Voluntary Council on Aging, Inc's (the Council) financial performance provides an overview and analysis of the Council's performance and activities for the year ended June 30, 2014. This document focuses on the current year's activities, resulting changes, and currently known facts. This document should be read in conjunction with basic financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The Council showed a increase in overall net position of \$1,173,771 this year
- Net Capital Assets of the Council increased by \$1,386,394 this year
- The Council's revenue, on a modified accrual basis, increased by \$848,618 this year
- Expenditures, on a modified accrual basis, increased by \$1,066,685 this year
- The unassigned fund balance for the Council's General Fund was \$113,640 at year-end, which is a decrease of \$211,814 from the prior year
- No deficit fund balances existed at year-end

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Council's basic financial statements. The Council's basic financial statements consist of the government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains other supplementary information, which is in addition to the basic financial statements themselves.

Government-Wide Financial Statements

Government wide financial statements are designed by GASB Statement No. 34 to change the way in which governmental financial statements are presented. It now provides readers with a concise "entity-wide" Statement of Net Position and Statement of Activities, which seek to give the user of the financial statements a broad overview of the Council's financial position and results of operations in a manner similar to private sector businesses.

The statement of net position presents information on all of the Council's assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. The difference between the two is reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Council is improving or weakening. However, to assess the overall financial position of the Council, the reader

Webster Voluntary Council on Aging Inc
Management Discussion and Analysis
June 30 2014

must consider other non-financial factors, such as the condition of the Council's capital assets and facilities, the addition or termination of grants and other revenue sources, and the expansion or contraction of programs and services

The statement of activities presents information which shows how the government's net position changed during this fiscal year. All changes in net position are reported as soon as the underlying event occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (e.g. uncollected taxes). All of the Council's significant activities are reported in the Statement of Activities, including an Administration function and a Health, Welfare, and Social Services function. The Health, Welfare, and Social Services function is comprised of seven primary programs that include supportive social services, nutritional services, disease prevention and health promotion, family caregiver support, senior citizen activities, Medicare outreach and enrollment. Subprogram activities are also presented, in some cases, to help the reader analyze the Council's operations in more detail. All activities of the Council are considered to be governmental activities. A governmental activity is usually one where the Council uses money it receives from government grants and contracts, along with donations from the general public, to provide services at no charge to the general public, or a segment of the general public, such as the elderly. In other words, the people benefitting from the services are not required to pay for what they receive. If the Council charged fees with the intent to cover all or most of the cost of providing a service, that activity would be classified as a business-type activity. The Council does not have any business-type activities.

The following is a condensed statement of the Council's net position as of June 30, 2014

	<u>2014</u>	<u>2013</u>	Increase (Decrease)
Assets			
Current & other assets	\$ 123,243	\$ 330,733	\$ (207,490)
Capital assets(net)	<u>1,907,536</u>	<u>521,142</u>	<u>1,386,394</u>
Total Assets	<u>\$ 2,030,779</u>	<u>\$ 851,875</u>	<u>\$ 1,178,904</u>
Liabilities			
Current liabilities	\$ 16,081	\$ 10,948	\$ 5,133
Non-current liabilities			
Total Liabilities	<u>\$ 16,081</u>	<u>\$ 10,948</u>	<u>\$ 5,133</u>
Net Position			
Invested in capital assets(net)	\$ 1,907,536	\$ 521,142	\$ 1,386,394
Restricted	3,493	4,987	(1,494)
Unrestricted	<u>103,669</u>	<u>314,798</u>	<u>(211,129)</u>
Total Net Position	<u>\$ 2,014,698</u>	<u>\$ 840,798</u>	<u>\$ 1,173,900</u>

Webster Voluntary Council on Aging, Inc
Management Discussion and Analysis
June 30, 2014

As of June 30, 2014, the Council "as a whole" had assets greater than its liabilities of \$2,014,698, whereas at June 30, 2013, net position was \$840,927. This is an increase of \$1,173,900.

About 5.15% and 37.44% of the Council's total net position is unrestricted as of June 30, 2014 and 2013, respectively. Unrestricted net position is important because they provide the discretionary resources management will need so that it can quickly adapt to changes in the economy, emergencies, unexpected needs, and reductions in or termination of grant revenues by government agencies.

The Council's restricted net position represents less than 1% of the Council's total net position as of June 30, 2014 and 2013, respectively. Net position is reported as restricted when the constraints placed upon the assets' use are either (a) externally imposed by a grantor, contributor, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

The net position that has been invested in capital assets is presented net of any related outstanding debt incurred to acquire them. For the 2014 and 2013, debt of \$0 has to be subtracted from the capital asset amount. The Council's policy is to acquire capital assets by paying cash and avoiding debt. This policy helps assure management will stay within its financial means so that future revenues will be spent for client services instead of debt services.

Webster Voluntary Council on Aging, Inc
Management Discussion and Analysis
June 30, 2014

The following represents a condensed presentation of the revenues and expenses

	<u>2014</u>	<u>% of Total</u>	<u>2013</u>	<u>% of Total</u>
Revenue				
Program Revenues				
Charges for services				
Operating grants & contributions	\$511,371	58.04%	\$515,715	57.80%
Capital grants & contributions			322,374	36.13%
General Revenues				
Unrestricted grants & contributions			51,832	5.81%
Other general revenues	<u>1,243,692</u>	<u>41.96%</u>	<u>2,391</u>	<u>0.27%</u>
Total Revenue	<u>1,755,063</u>	<u>100.00%</u>	<u>892,312</u>	<u>100.00%</u>
Direct Program Expenses for the Health Welfare and Social Services Function				
Supportive Services				
Transportation for the Elderly	21,506	3.70%	38,946	7.12%
Other supportive services	62,794	10.81%	85,614	15.65%
Nutrition Services				
Congregate Meals	103,602	17.82%	100,604	8.35%
Home delivered Meals	84,990	14.62%	96,502	20.20%
Other Social Service Program and Activities	29,515	5.08%	27,957	5.32%
Direct Administrative Expenses	<u>278,845</u>	<u>47.97%</u>	<u>197,364</u>	<u>19.26%</u>
Total Expenses	<u>581,292</u>	<u>100.00%</u>	<u>546,987</u>	<u>100.00%</u>
Change in Net Position	1,173,771		345,325	
Net Position June 30 2013	<u>840,927</u>		<u>495,602</u>	
Net Position June 30 2014	<u>\$ 2,014,698</u>		<u>\$ 840,927</u>	

The Council gets most of its revenues from operating grants and contributions that are specifically related to a program and must be used in the programs to which they relate. Unrestricted grants and contributions make up the second largest percentage of revenues and this revenue is available to management to use at its discretion.

The expenses have been presented by primary programs with some additional details about the subprograms. Only direct program expenses are shown. The administrative expenses include all administrative expenses of the Council before any allocations were made to the various programs.

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Management Discussion
and Analysis June 30,
2014

Percentages have been presented for the expenses associated with each program for ease of analysis and to illustrate where the Council has spent its money this year and last year. The expense allocations are a good indication of the demand for each type of service.

The Council had a \$1,173,771 increase in its net position for the year ended June 30, 2014, whereas the increase in net position for 2013 was \$345,325.

When reviewing the government-wide Statement of Activities, there are relationships that are important to the understanding of the Council's operations. As you can see, the Council's largest activities are supportive and nutrition services. The Council's main focus is to meet the needs of the elderly citizens of Webster Parish, and right now, these services are in the greatest demand. However, there is a growing demand for other supporting services. As these demands increase, management will adjust its annual budget to reallocate available resources to meet the demands.

Another area of interest on the Statement of Activities relates to the total governmental activities column wherein the Council shows that most of the governmental activities have more expenses than revenues. None of the programs are expected to be truly self-supporting, and management has prepared budgets accordingly. However, on occasion, a program might "break even" or even make a slight "profit." Traditionally, general revenues are used to cover the excess of expenses over revenues in these activities. Without the unrestricted grants and contributions, the Council would have a different time providing services at current levels. Further, the general nature of these revenues allows management discretion as to how to apply them in paying for the Council's current services as well as reallocating them to meet future demands.

Another indication of how money is used efficiently can be analyzed by comparing the amount of administrative costs from year to year as well as calculating the percentage administration expenses bears in relation to total expenses. For 2014

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and 2013 total administration expenses were \$278,845 or 47% and 197,364 or 36% of total expenses, respectively. Administration expenses include indirect type costs, meaning these costs that are not specifically identified with a particular program, but which benefit all programs.

Fund Financial Statements - Governmental Funds

The Council presents a combined governmental fund balance of \$117,133 at the end of this year, which is a decrease of \$213,308 from 2013. When the funds are reviewed individually, it shows the Council's General Fund decreased by \$211,814 this year, while the Special Revenue Funds had a combined fund balance decrease of \$1,494.

The combined fund revenues increased by \$848,618 this year versus last year, as shown below:

	<u>2014</u>	<u>2013</u>	<u>Increase (Decrease)</u>
Intergovernmental	\$1,662,664	\$813,164	\$849,500
Public Support	46,698	77,915	(31,217)
Other	<u>31,568</u>	<u>1,233</u>	<u>30,335</u>
Total Revenues	<u>\$1,740,930</u>	<u>\$892,312</u>	<u>\$848,618</u>

Most of the Council's activities were funded by federal, state, and local grants, which comprise the Council's intergovernmental revenues. The total of these types of grants was \$1,755,063 and \$813,164 and represent about 96% and 91% of the total revenues of the Council in 2014 and 2013, respectively. Most of these grants are restricted, which means that the money can only be used in certain programs. The amount of funds available from most of the grants remains rather constant from year to year, however, some grant amounts may vary based upon the level of service provided by the Council under the terms of the particular grant award.

The Council also received donations from its clients and the general public. These revenues helped to lessen the financial burden on the Council and allow it to maintain

Webster Voluntary Council on Aging, Inc
Management Discussion
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2014

and expand services Public support revenues for 2014 and 2013 were \$46,698 and \$77,915 and represented about 3% and 9% of the total revenues for 2014 and 2013, respectively

Total expenditures increased by \$1,066,685 in the current year, as shown below

	2014	2013	Increase/(Decrease)	
			Amount	% of Total
Personnel	246,761	\$242,547	4,214	0.36%
Fringe	19,433	19,782	(349)	(0.03)%
Travel	18,371	20,340	(1,969)	(0.18)%
Operating services	94,438	56,694	37,744	3.54%
Operating supplies	20,528	38,734	(18,206)	(1.71)%
Other costs	3,611	4,488	(877)	(0.08)%
Meals	137,362	139,078	(1,716)	(0.16)%
Utility assistance	7,874	10,339	(2,465)	(0.23)%
Capital outlay	1,419,952	369,683	1,050,309	98.49 %
Total Revenue	<u>1,968,370</u>	<u>901,685</u>	<u>1,066,685</u>	<u>100.00%</u>

Budgetary Highlights

Over the course of the past fiscal year, the budget was not amended. The amendment effectively approves any expenditures that had already been incurred that exceeded its original budgeted amount. The primary reasons for amending the budget are to account for unanticipated changes in both revenues and expenditures and to prevent compliance violations under the Council's grants from Division of Administration and GOEA.

Webster Voluntary Council on Aging, Inc
Management Discussion and Analysis
June 30 2014

Capital Asset and Debt Administration

The total investment in net capital assets as of June 30, 2014 is \$1,907,536

Current Financial Factors

The Council receives most of its funding from federal and state agencies. Because of this, the source of income is rather steady. However, some of the Council's grants and contracts are contingent upon the level of service provided by the Council, therefore, revenues may vary from year to year. All of the Council's grants and contracts from the usual federal and state agencies have been awarded for 2014, and there were no significant changes to the funding levels or terms of the grants or contracts. Accordingly, the initial budget has been set to provide the same programs and similar levels of service next year. OEA has approved the Council's budget for next year. There are no plans to add or discontinue any significant programs for next year.

Requests for Information

This financial report is designed to provide a general overview of the Council's finances for all with an interest in the government's operations. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Executive Director, Mrs. Dathene Brown, at the Council's office P O Box 913, Minden, Louisiana or by phone at (318) 371-3056.

WEBSTER VOLUNTAY COUNCIL ON AGING, INC

**STATEMENT OF NET POSITION
JUNE 30, 2014**

ASSETS

Cash and cash equivalents	\$ 119,750
Due from other funds	3 493
Land, Building and equipment	<u>1,907,536</u>
TOTAL ASSETS	<u>\$ 2 030 779</u>

LIABILITIES

Due to other funds	\$ 3,493
Accounts payable and other liabilities	2,617
Compensated absences payable	<u>9,971</u>
TOTAL LIABILITIES	<u>\$ 16 081</u>

NET POSITION

Invested in capital assets, net of related debt	\$ 1,907,536
Restricted	
Utility assistance	2 322
EFSP	1,171
Assigned	
Unrestricted	<u>103 669</u>
TOTAL NET POSITION	<u>\$ 2,014,698</u>

The accompanying notes are an integral part of this statement

WEBSTER VOLUNTARY COUNCIL ON AGING, INC

**Reconciliation of the Governmental Funds Balance Sheet
To the Statement of Net Position
JUNE 30, 2014**

Total Fund Balances Governmental Funds		\$	117 133
Cost of capital assets at June 30, 2014	\$	2,022,017	
Less Accumulated Depreciation as of June 30, 2014		<u>(114,481)</u>	1 907 536
Long term liabilities at June 30, 2014			
Compensated absences payable	\$	<u>(9,971)</u>	<u>(9,971)</u>
Total net Position at June 30 2014--Governmental Activities			<u><u>2,014,698</u></u>

The accompanying notes are an integral part of this statement

WEBSTER VOLUNTARY COUNCIL ON AGING, INC.

STATEMENT OF ACTIVITIES
JUNE 30, 2014

Functions/Programs	Direct Expenses	Indirect Expenses	Charges for Services	Program Revenues		Net (Expenses) Revenue and Changes in Net Asset
				Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities						
Health Welfare & Social Services						
Supporting Services						
Homemaker	\$ 14,876	\$ 19,020	\$	\$ 5,927	\$	\$ (27,969)
Information & Assistance	2,688	3,435				(6,123)
Outreach	992	1,263				(2,255)
Legal Assistance	3,018					(3,018)
Transportation	21,506	16,166		1,977		(35,695)
Other Services	41,260	50,990		76,227		(16,023)
SENIOR CTR				68,678		68,678
Nutrition Services						
Congregate Meals	103,602	55,026		99,624		(59,004)
Home Delivered Meals	84,990	56,022		124,100		(16,912)
NSIP				31,284		31,284
Utility Assistance	7,874			5,209		(2,665)
Disease Prevention & Health	467	4,238		3,948		(757)
Emergency Food & Shelter	829			2,000		1,171
National Family Caregiver Support	18,576	11,459		27,552		(2,483)
Audit	1,769			1,769		
Administration	276,877	(217,619)		63,076	1,172,991	1,176,809
Total Governmental Activities	\$ 579,324	\$	\$	\$ 511,371	\$ 1,172,991	\$ 1,105,038

General Revenues

Local funds	\$ 56,568
Disposition of capital assets	14,133
Miscellaneous	
Total General Revenues & Special Items	\$ 70,701
Increase (Decrease) in net position	\$ 1,175,739
Net Position-July 1 2013	838,959
Net Position-June 30 2014	\$ 2,014,698

The accompanying notes are an integral part of this statement

WEBSTER VOLUNTARY CAOUNCIL ON AGING, INC

**RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE TO STATEMENT OF ACTIVITIES
JUNE 30, 2014**

Total Net Changes in Fund Balance Governmental Funds		\$	(213,308)
Capital Assets			
Capital Outlay capitalized	\$	1 419 952	
Depreciation expense for year ended June 30, 2014		<u>31,600</u>	1 388,352
New capital Asset Financing			
Long Term Debt		-	
Compensated absences		<u>695</u>	<u>695</u>
Change in Net Posrtion--Governmental Ativities			<u>\$ 1 175 739</u>

The accompanying notes are an intergral part of this statement

WEBSTER VOLUNTARY COUNCIL ON AGING, INC

**Balance Sheet
Governmental Funds
June 30, 2014**

	<u>General Fund</u>	<u>Supportive Services</u>	<u>C 1</u>	<u>C 2</u>	<u>Non Major Programs</u>	<u>Total</u>
ASSETS						
Cash & equivalents	\$ 119 750	\$	\$	\$	\$	\$ 119 750
Due from other funds					3 493	3 493
Total Assets	<u>\$ 119 750</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 3 493</u>	<u>\$ 123 243</u>
Liabilities and Fund Balances						
Liabilities						
Accounts payable	\$ 2 617	\$	\$	\$	\$	\$ 2 617
Due to other funds	3 493					3 493
Total Liabilities	<u>\$ 6 110</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 6 110</u>
Fund Balances						
Assigned for						
Utility assistance	\$	\$	\$	\$	\$ 2 322	\$ 2 322
Emergency food & shelter					1 171	1 171
Unassigned/undesignated						
Unassigned	<u>113 640</u>					<u>113 640</u>
Total Fund Balances	<u>\$ 113 640</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 3 493</u>	<u>\$ 117 133</u>
Total Liabilities and Fund Balances	<u>\$ 119 750</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 3 493</u>	<u>\$ 123 243</u>

The accompanying notes are an integral part of this statement

WEBSTER VOLUNTARY COUNCIL ON AGING, INC

Statement of Revenues Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2014

<u>REVENUES</u>	<u>General Fund</u>	<u>Supportive Services</u>	<u>C 1</u>	<u>C 2</u>	<u>Non Major Programs</u>	<u>Total</u>
Intergovernmental						
Governor's Office of Elderly Affairs	\$	\$ 76 227	\$ 79 702	\$ 114 910	\$ 193 834	\$ 464 673
State of Louisiana						
Division of Administration	1 172 991					1 172 991
Webster Parish Police Jury	25 000					25 000
FEMA					2 000	2 000
Public Support						
Restricted Utility Program					5 209	5 209
Client Contributions		7 904	19 922	9 190	2 473	39 489
Miscellaneous	31 568				\$	31 568
Total Revenues	<u>\$ 1 229 559</u>	<u>\$ 84 131</u>	<u>\$ 99 624</u>	<u>\$ 124 100</u>	<u>\$ 203 516</u>	<u>\$ 1 740 930</u>
<u>EXPENDITURES</u>						
Salaries	\$	\$ 102 255	\$ 50 992	\$ 52 242	\$ 41 272	\$ 246 761
Fringes		8 073	3 980	4 126	3 254	19 433
Travel		5 930	113	7 914	4 414	18 371
Operating Services	10 874	33 057	16 987	16 949	16 571	94 438
Operating Supplies	1 276	15 744	1 371	1 097	1 040	20 528
Other Costs		(100)	79 989	58 684	2 400	140 973
Utility Assistance					7 874	7 874
Capital Outlay	1 419 992					1 419 992
Total Expenditures	<u>\$ 1 432 142</u>	<u>\$ 164 959</u>	<u>\$ 153 432</u>	<u>\$ 141 012</u>	<u>\$ 76 825</u>	<u>\$ 1 968 370</u>
Excess(deficiency) of revenues over expenditures	<u>\$ (202 583)</u>	<u>\$ (80 828)</u>	<u>\$ (53 808)</u>	<u>\$ (16 912)</u>	<u>\$ 126 691</u>	<u>\$ (227 440)</u>
<u>OTHER FINANCING SOURCES(USES)</u>						
Operating transfers in	\$	\$ 80 828	\$ 53 808	\$ 16 912	\$ 5 607	\$ 157 155
Sale of fixed assets	14 133					14 133
Operating transfer out	(23 364)				(133 792)	(157 156)
	<u>\$ (9 231)</u>	<u>\$ 80 828</u>	<u>\$ 53 808</u>	<u>\$ 16 912</u>	<u>\$ (128 185)</u>	<u>\$ 14 132</u>
Excess(deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (211 814)</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ (1 494)</u>	<u>\$ (213 308)</u>
<u>FUND BALANCES</u>						
Beginning of year	325 454				4 987	330 441
End of year	<u>\$ 113 640</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 3 493</u>	<u>\$ 117 133</u>

The accompanying notes are an integral part of this statement

Webster Voluntary Council on Aging, Inc
Notes to the Financial Statements
June 30 2014

Note 1- PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of Webster Council on Aging (the Council) conform the accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental and financial reporting principles. Governments are also required to follow pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989, (when applicable) that do not conflict with or contradict GASB pronouncements. The following is a summary certain significant accounting policies used by the Council.

a Purpose of the Council on Aging

The purpose of the Council is to collect facts and statistics and make special studies of conditions pertaining to the employment, financial status, recreation, social adjustment, mental and physical health of other conditions affecting the welfare of the aging people of Webster Parish, to keep abreast of the latest developments in these fields of activity throughout Louisiana and the United States, to interpret its findings to the citizens of the parish and state, to provide for the mutual exchange of ideas and information on the parish and state level, to conduct public meetings to make recommendations for improvements and additional resources, to promote the welfare of aging people, to coordinate and monitor services with other local agencies serving the aging people of the parish, to assist and cooperate with the Governor's Office of Elderly Affairs (GOEA) and other departments of state and local government serving the elderly, and, to make recommendations relevant to the planning and delivery of services to the elderly of the parish.

The primary services provided by the Council to the elderly residents of Webster Parish include congregate and home delivered meals, nutritional education, information and assistance, outreach, utility assistance, homeemaker services, telephoning, personal care, wellness, medication management, family caregiver support, medical alert rentals and transportation.

Webster Voluntary Council on Aging Inc
Notes to the Financial Statements
June 30, 2014

Note 1- PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b Reporting Entity

In 1964, the State of Louisiana passed Act 456 authorizing the charter of a voluntary council on aging for the welfare of the aging people in each parish of Louisiana. In the Louisiana Legislature created the Governor's Office of Elderly Affairs (GOEA) (La R S 46 931) with the specific intention that GOEA administer and coordinate services and programs for the elderly population of Louisiana through sixty-four parish voluntary councils on aging.

Before a council on aging can begin operations in a specific parish, its application for a charter must receive approval from GOEA pursuant to Louisiana Revised Statute (La R S) 46 1602. Each council on aging in Louisiana must comply with the state laws that apply to quasi-public agencies as well as the policies and regulations established by GOEA.

Webster Council on Aging (the Council) is a legally separate non-profit, quasi-public corporation. The Council incorporated under the provisions of Title 12, Chapter of the Louisiana Revised Statutes on October 19, 1970.

A board of directors, consisting of 11 voluntary members, who serve three-year terms, governs the Council. The board of directors is comprised of, but not limited to, representatives of the Parish's elderly population, general public, private businesses and elected public officials. Board members are elected in the following manner:

Membership in the Council is open at all times, without restriction, to all residents of Webster Parish who have reached the age of majority, and who express an interest in the Council and wish to contribute to or share in its programs. Membership fees are not charged.

Based on the criteria set forth in GASB Statement 14 *The Financial Reporting Entity*, the Council is not a component unit of another primary government, nor does it have component units that are related to it. In addition, based on the criteria set forth in this

Webster Voluntary Council on Aging Inc
Notes to the Financial Statements
June 30 2014

Note 1- PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

statement the Council has presented its financial statements as a special-purpose stand alone government, accordingly, it is applying the provisions of Statement 14 as if it a primary government

c Basis of Presentation

The Council's basic financial statements consist of "government-wide" financial on all activities of the Council, which are designed to report the Council as a whole entity, and 'fund" financial statements the purpose of which are to report individual governmental funds and combined non-major funds

Both the government wide and fund financial statements categorize primary activities as either "governmental" or "business-type" The Council's functions and programs have been categorized as "governmental" activities The Council does not have any business- type activities fiduciary funds, or any component units that are fiduciary in nature Accordingly the government-wide financial statements do not include any of these activities or funds

Government-Wide Financial Statements

The government-wide financial statements include the Statement of Net Position and the Statement of Activities for all activities of the Council As a general rule, the effect of interfund activity has been eliminated from these statements The government-wide presentation focuses primarily on the sustainability of the Council as an entity and the change in its net assets (financial position) resulting from the activities of the current year Intergovernmental revenues primarily support governmental activities

In the government-wide Statement of Net Position, only one column of numbers has presented for total governmental activities The numbers are presented on a basis and represent only governmental type activities

The Statement of Net Position has been prepared on a full accrual, economic resource basis which recognizes all long term assets and receivables as well as long term debt and obligations The Council's net position is reported in three parts invested in capital assets net of related debt restricted net position and unrestricted net position

Webster Voluntary Council on Aging Inc
Notes to the Financial Statements
June 30, 2014

Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c Basis of Presentation of the Basic Financial Statements(Continued)

The government wide Statement of Activities reports both the gross and net cost of each Council's functions and significant programs. Many functions and programs are general government revenues such as intergovernmental revenues and unrestricted support, particularly if the function or program has a net cost. The Statement begins by presenting gross direct and indirect expenses that include depreciation and amortization and then reduces the expenses by related program revenues, such as services, operating and capital grants and restricted contributions, to derive the net cost each function or program. Program revenues must be directly associated with the program to be used to directly offset its cost. Operating grants include operating-discretionary (either operating or capital) grants while the capital grants column reflects capital specific grants.

Direct expenses reported in the Statement of Activities are those that are clearly a specific function or program whereas, the Council allocates its indirect expenses various functions and programs in accordance with OMB Circular A-87 *Cost States Local and Indian Tribal Governments*. The Statement of Activities shows this allocation in a separate column labeled "indirect expenses."

In the Statement of Activities charges for services represent program revenues obtained Council when it renders services provided by a specific function or program to people or entities. Unrestricted contributions, unrestricted grants, interest income, and revenues that are not included among program revenues are reported instead as general revenues in this statement. Special items, if any, are significant transactions within the management that are either unusual in nature or infrequent in occurrence and are reported below general revenues. The Council did not have any material special items this year.

Fund Financial Statements

The fund financial statements present financial information very similar to that which included in the general-purpose financial statements issued by governmental entities. GASB Statement No. 34 required the format change.

Webster Voluntary Council on Aging Inc
Notes to the Financial Statements
June 30 2014

Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c Basis of Presentation of the Basic Financial Statements (Continued)

The daily accounts and operations of the Council continue to be organized using funds accounting is designed to demonstrate legal compliance and to aid financial segregating transactions relating to certain governmental functions or activities. The of each fund are accounted for with a separate set of self-balancing accounts that assets liabilities equity, revenues, and expenditures. Government resources are and accounted for in individual funds based upon the purpose for which they are to be and the means by which spending activities are controlled.

The Council uses governmental fund types. The focus of the governmental funds measurement (in the fund statements) is on determination of the financial position and changes in financial position (sources uses, and balances of financial resources) rather than on net income. An additional emphasis is placed on major funds within the governmental fund types. A fund is considered major if it is the primary operating fund of the Council or if its total assets, liabilities, revenues or expenditures are at least 10% of the corresponding total for all funds in that category or type. In addition, management may also choose to report any other governmental fund as a major fund if it believes the fund is particularly important to financial statement users. The non major funds are summarized by category or fund type into a single column in the fund financial statement.

Governmental fund equity is called the fund balance. Fund balance is further classified a hierarchy that shows, from the highest to the lowest, the level or form of constraints on a fund balance and accordingly, the extent to which the Council is bound to honor them: non spendable, restricted, committed, assigned and unassigned.

The following is a description of the governmental funds of the Council:

The General Fund is the primary operating fund of the Council and is used to account for all the financial resources except those required to be accounted for in another fund. The following is a brief description of the programs or funding sources that comprise Council's General Fund:

Webster Voluntary Council on Aging, Inc
Notes to the Financial Statements
June 30, 2014

Note 1- PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c Basis of Presentation of the Basic Financial Statements (Continued)

Local Programs and Funding

The Council receives revenues that are not required to be accounted for in a specific program or fund. Accordingly, these revenues have been recorded in the local program of the General Fund. These funds are mostly unrestricted, which means they may be at management's discretion. Expenditures to acquire fixed assets and expenditures for costs not allowed by another program due to budget limitations or the nature of the expenditures, are charged to the local program. Because of their unrestricted nature, local funds are often transferred to other programs to eliminate deficits in cases where expenditures of the other programs exceeded their revenues. In addition, capital outlay expenditures are usually made with local funds to minimize restrictions on the use and disposition of fixed assets.

PCOA Funding

PCOA funds are appropriated annually for the Council by the Louisiana Legislature and remitted to the Council via the Governor's Office of Elderly Affairs (GOEA). The Council's management may use these "Act 735" funds at its discretion to fund any of its programs provided the program is benefiting elderly people (those who are at least 60 years old). In FY 2014, the Council received this grant money (\$37,500) and management transferred \$33,830 of the PCOA funds to other funds to help pay for those fund's program expenditures.

Webster Voluntary Council on
Aging Inc
Notes to the Financial
Statements
June 30 2014

**Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF
SIGNIFICANT ACCOUNTING POLICIES (Continued)**

c Basis of Presentation of the Basic Financial Statements (Continued)

Senior Center and Supplemental Senior Center Funding

Senior Center and Supplemental Senior Center grant funds are also appropriated annually for the Council and remitted to the Council via GOEA. These grant funds can be used at management's discretion to pay for costs of any program involving elderly who are at least 60 years old. To obtain supportive services and participate in activities which foster their independence, enhance their dignity and encourage their involvement in and with the community, the elderly person will come to a "senior center." During year management transferred all \$2,729 of its Supplemental Senior Center Funds and Senior Center Funds (\$65,949) and to other funds to subsidize that program's cost of providing services to elderly persons.

Audit Funding

Each year GOEA provides funds to subsidize the cost of the Council's annual audit. The audit funds (\$1,769 for FY 2014) were received and accounted for in a Special Revenue Fund and used to help pay for the cost of the audit.

Transportation Program Services

The Council provides various transportation services to the residents of Webster Parish who are at least 60 years old, which are accounted for in the "Elderly Transportation" program of the Title III B Fund.

Webster Voluntary Council on
Aging Inc
Notes to the Financial
Statements
June 30, 2014

Note 1- PURPOSE OF *THE* COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c Basis of Presentation of the Basic Financial Statements (Continued)

Non-major Governmental Funds

Title III B Fund

The Title III B Fund is used to account for funds used to provide various types of supportive social services to the elderly GOEA has established the criteria for a qualifying unit of service for each Title III program Specific supportive services along with the number of units provided during the fiscal year, are as follows

<u>Type of Service Provided</u>	<u>Units</u>
Information and Assistance	303
Outreach	112
Homemaker	2 653
Legal	58
Recreation	20,604
Transportation for persons age 60 or older	2 038
	25,768

There were two main sources of revenues received this year that form the basis of this fund Special Programs for the Aging - Title III, Part B - Grants for Supportive Services (\$76 277) and restricted, voluntary contributions from those persons who received supportive services (\$7,904)

Title III C-1 Fund

The Title III C-1 Fund accounts for funds used to provide nutritional congregate meals persons age 60 or older in strategically located centers throughout Webster Parish During the year the Council provided 18,264 meals to persons eligible to participate in this program There were two main sources of revenues received this year that form the basis of this fund Special Programs for the Aging - Title III Part C-1 - Nutrition

Webster Voluntary Council on
Aging Inc
Notes to the Financial
Statements
June 30, 2014

Title III C-1 Fund
(Continued)

Services grant funds (\$79,702) and restricted, voluntary contributions from those who received congregate meals (\$19,922)

Fund Title III C-2

The Title III C-2 Fund accounts for funds that are used to provide nutritional meals to homebound persons who are age 60 or older. During the year the Council provided 18,264 home-delivered meals.

There were three main sources of revenue received this year that form the basis of this fund: Special Programs for the Aging - Title III, Part C-2 - Nutrition Services grant (\$114,910), NSIP funds and restricted voluntary contributions from the (\$9,190), including those persons actually receiving home-delivered meal services.

Title III D Fund

The Title III D Fund is used to account for funds used for disease prevention and health promotion (wellness) activities. During the year the Council provided 7,502 units of service of medication management to eligible participants. The main source of the revenue forming the basis for this fund is a grant the Council received from GOEA via Special Programs for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services.

Title III E Fund

The Title III E Fund is used to account for funds that are used to provide support for family caregivers and for grandparents or older individuals who are relative. During the year the Council provided 1,712 units of respite under this program. The source of the revenue forming the basis for this fund is a grant the Council received from GOEA for the Title III Part E - National Family Caregivers Support Program.

Webster Voluntary Council on Aging, Inc
Notes to the Financial Statements
June 30, 2014

Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c Basis of Presentation of the Basic Financial Statements (Continued)

Utility Assistance Fund

This fund is used to account for the administration of the utility assistance programs that are sponsored by local utility companies. The companies collect contributions from service customers and remit the funds to the parish councils on aging throughout the to provide assistance to the elderly for the payment of utility bills. The Council 16 units of service under this program.

EFSP Fund

The EFSP Fund is used to account for the administration of the Emergency Food and Shelter National Board Program (EFSP), the purpose of which is to supplement food shelter assistance to individuals. Funds are provided by the U.S. Department of Homeland Security's Federal Emergency Management Agency (FEMA) to the United Way of America, which in turn "passes through" the funds to the Council.

d Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

- **Government-Wide Financial Statements - Accrual Basis**

The government-wide financial statements are prepared using the economic measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of timing of related cash flows.

- **Fund Financial Statements - Modified Accrual Basis**

Webster Voluntary Council on Aging, Inc
Notes to the Financial Statements
June 30 2014

Note 1- PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d Basis of Presentation of the Basic Financial Statements (Continued)

Governmental fund level financial statements are reported using a current financial resources measurement focus and the modified accrual basis of accounting. A current financial resources measurement focus means that only current assets and current liabilities are generally included on the fund balance sheet. The operating statements of the funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current assets. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e. when they are both measurable and available. "Measurable" means the amount of transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Council considers revenues to be "available" if they are collected sixty days of the current fiscal year end. Expenditures are generally recorded under the modified accrual basis of accounting when the related liability is incurred if measurable, except for the following: (1) unmatured principal and interest on long term debt, if any, are recorded when due, and (2) claims judgments and compensated absences are recorded as expenditures when paid with expendable available financial resources. Depreciation and amortization are costs that are not recognized in the governmental funds.

e Interfund Activity

In the fund financial statement, interfund activity is reported as either loans or transfers. Loans between funds are reported as interfund receivables (due from) and payables (due to) as appropriate. Transfers represent a permanent reallocation of resources between funds. In other words, they are not expected to be repaid.

In the government-wide financial statements, all types of interfund transactions are eliminated when presenting the governmental activity information.

Webster Voluntary Council on Aging, Inc
Notes to the Financial Statements
June 30 2014

Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f Cash

Cash includes not only currency on hand, but demand deposits with banks or other financial institutions

For the purpose of the Statement of Net Position, restricted cash are amounts received or earned by the Council with an explicit understanding between the Council and the resource provider that the resource would be used for a specific purpose At year end there was no restricted cash

g Receivables

The financial statements for the Council do not contain an allowance for uncollectible receivables because management believes all amounts will be collected However if management becomes aware of information that would change its assessment about the collectability of any receivable, management would write off the receivable as a bad at that time

h Investments

GASB Statement 31 requires the Council to report its investments at fair value in the balance sheet, except for investments in non-participating interest-earning contracts, as non-negotiable certificates of deposit with redemption terms that do not consider market rates This type of investment is reported using a cost-based measure provided the fair market value of the contract is not significantly affected by the impairment of credit standing of the issuer or other factors The Council did not own any investments of this type at year end

Investments which include securities traded on a national or international exchange are valued based on their last reported sales price Investments that do not have an established market value are reported at estimated fair value The Council did not own any investments of this type at year-end

Webster Voluntary Council on Aging, Inc
Notes to the Financial Statements
June 30 2014

Note 1- PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i Prepaid Expenses/Expenditures

Prepaid expenses include amounts paid in advance for goods and services. Prepaid expense are shown as either current or other assets on the government-wide Statement Net Position, depending on when management expects to realize their benefits.

- In the fund financial statements, management has elected not to include amounts paid for future goods and services as expenditures until those services are consumed. This method of accounting for prepaid expenditures helps assure management that costs incurred will be reported in accordance with the Council's cost reimbursement grants. These types of grants do not permit the Council to obtain reimbursement for qualified expenditures until the goods and services relating to them are consumed. As a result, prepaid expenditures are shown as an asset on the balance sheet of the fund financial statements until they are consumed. In addition, a corresponding amount of the fund balance of the General Fund has been classified as non-spendable to reflect the amount of fund balance not currently available for expenditure.

For purposes of presenting prepaid expenses in the government-wide statements, the Council will follow the same policy it uses to record prepaid expenditures in the fund financial statements with one exception. Disbursements made as "matching" payments to acquire vehicles that will be titled to another government are recorded as prepaid expense and amortized in the Statement of Net Position to better present the economics of this type of transaction and to keep from distorting the Council's transportation expenses in the Statement of Activities. In contrast, 100% of the "matching" payments are recorded in the fund financial statements as intergovernmental expenditures when the vehicles are received. The Council did not have any prepaid expenses at year end.

j Capital Assets

The accounting and reporting treatment used for property, vehicles, and equipment (capital assets) depends on whether the capital assets are reported in the government-wide financial statements or the fund financial statements.

Webster Voluntary Council on Aging Inc

Notes to the Financial Statements

June 30 2014

Note 1- PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j Capital Assets (Continued)

Government-Wide Financial Statements

Capital assets are long-lived assets purchased or acquired with an original cost of at least \$1 000 and have an estimated useful life of greater than one year. When purchased or acquired, these assets are recorded as capital assets in the government-wide Statement of Net Assets. If the asset was purchased, it is recorded in the books at its cost. If the asset was donated, then it is recorded at its estimated fair market value at the date of donation. Capital assets will also include major repairs to equipment and vehicles that significantly extend the asset's useful life. Routine repairs and maintenance are as incurred.

For capital assets recorded in the government-wide financial statements, depreciation is computed and recorded using the straight-line method for the assets' estimated useful life. The Council follows a guideline issued by the State of Louisiana's Office of Statewide Reporting and Accounting to establish the useful lives of the various types of capital assets that are depreciated and the method used to calculate annual depreciation.

Using this guideline, the estimated useful lives of the various classes of depreciable assets are as follows:

Office equipment - other than computers	6 years
Vehicles	5 years
Computer equipment	5 years
Leasehold improvements	20 years
Nutrition equipment	10 years

When calculating depreciation, the State's guideline assumes that capital assets will not have any salvage value and that a full year's worth of depreciation will be taken in the year the capital assets are placed in service or disposed.

k Non-Current (Long-Term) Liabilities

Webster Voluntary Council on Aging Inc
Notes to the Financial Statements
June 30, 2014

Note 1- PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k Non-Current (Long-Term) Liabilities(Continued)

The accounting treatment of non-current liabilities depends on whether they are reported in the government-wide or fund financial statements. In the government-wide financial statements, all non-current liabilities that will be repaid from governmental resources are reported as liabilities. In the fund financial statements, non-current liabilities for governmental funds are not reported as liabilities or presented elsewhere in these statements.

l Compensated Absences

The Council's policy for vacation time allows its employees to accumulate earned but unused vacation leave. Accordingly, a liability for unpaid vacation leave has been recorded in the Government-Wide Statements. The amount accrued as the compensated absence liability was determined using the number of vested vacation hours for each employee multiplied by the employee's wage rate in effect at the end of the year.

m Advances from Funding Agency

Advances from funding agency represent unexpended balances of grants awarded to the Council that are required to be returned to the funding agency at the end of the grant period. Grant funds due back to the funding agency are recorded as a liability when the amount due becomes known, normally when a final accounting is submitted to the funding agency. The Council did not have any advances from funding agencies at yearend.

n Deferred Revenue

The Council reports deferred revenues on both the Statement of Net Position (government-wide) and the Balance Sheet (fund financial statements). Deferred revenues arise when the Council receives resources before it has a legal claim to them, as when grant monies are received before the occurrence of qualifying expenditures. In subsequent periods, when the Council has a legal claim to the resources, the liability for deferred revenue is removed from the Statement of Net Position and the Fund Balance Sheet, whichever the case might be, and the revenue is recognized. The Council did not have any deferred revenue at year

Webster Voluntary Council on Aging, Inc
Notes to the Financial Statements
June 30 2014

Note 1- PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF
SIGNIFICANT ACCOUNTING POLICIES (Continued)

o Fund Equity

In the government wide financial statements, equity is classified as net position and displayed in three components

a Invested in capital assets net of related debt- Consists of capital assets including restricted capital assets net of accumulated depreciation and reduced by the outstanding balances of any bonds mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets

b Restricted net position - Consists of net position with constraints placed on the use by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or(2) law through constitutional provisions or enabling legislation

c Unrestricted net position - All other net position that do not meet the definition of "restricted" or "invested in capital assets, net of related debt"

When both restricted and unrestricted resources are available for use, it is the Council's policy to use restricted resources first to finance its activities

The Council adopted GASB 54 in the year ended June 30 2010 As such, fund balances of the governmental funds are classified as follows

- Non-spendable This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to maintained intact Management has classified prepaid expenditures as being non spendable as this item is not expected to be converted to cash

Webster Voluntary Council on Aging Inc
Notes to the Financial Statements
June 30, 2014

Note 1- PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF
SIGNIFICANT ACCOUNTING POLICIES (Continued)

o Fund Equity - Fund Financial Statements (Continued)

- **Restricted** This classification includes amounts for which constraints have been placed on the use of resources that are either
 - Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or
 - Imposed by law through constitutional provisions or enabling legislation
- **Committed** This classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (resolution) of the Council's board of directors, which is the Council's highest level of decision authority. These amounts cannot be used for any other purpose unless the board of directors removes or changes the specified use by taking the same type of action was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Council did not have any committed resources as of year-end.
- **Assigned** This classification includes amounts that are constrained by the intent to be used for a specific purpose but are neither restricted nor committed. This intent should be expressed by the Council's (1) board of directors (2) its finance committee, or (3) an official, such as the executive director, to which the board of directors has delegated the authority to assign amounts to be used for a specific purpose. The Council has no assigned fund balance at year end.
- **Unassigned** This classification is the residual fund balance for the General Fund; also represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

Webster Voluntary Council on Aging Inc
Notes to the Financial Statements
June 30, 2014

Note 1- PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF
SIGNIFICANT ACCOUNTING POLICIES (Continued)

o Fund Equity - Fund Financial Statements (Continued)

When fund balance resources are available for a specific purpose in multiple classifications, the Council will generally use the most restrictive funds first in the following order restricted , committed, assigned, and unassigned as they are needed. However, the Council's management reserves the right to selectively spend unassigned resources first and to defer the use of other classified funds.

Management's Use of Estimates

The preparation of financial statements in conformity with U S generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

q Allocation of Indirect Expenses

The Council reports all direct expenses by function and programs of functions in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function or program. Indirect expenses are recorded as direct costs of the Administration function. The net cost of the Administration function is allocated using formula based primarily on the relationship the direct cost a program bears to the direct cost of all programs. There are some programs that cannot absorb any indirect expense allocation according to their grant or contract restrictions.

r Elimination and Reclassifications

In the process of aggregating data for the Statement of Net Position and the Statement of Activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the 'grossing up' effect on assets and liabilities within the governmental activities column.

Webster Voluntary Council on Aging Inc
Notes to the Financial Statements
June 30 2014

Note 2 - REVENUE RECOGNITION

Revenues are recorded in the government-wide financial statements when they are earned using the accrual basis of accounting

Revenues are recorded in the fund financial statements using the modified accrual basis of accounting. In applying the susceptible to accrual concept using this basis of accounting, intergovernmental grant revenues, program service fees, and interest income must be both measurable and available. However, the timing and amounts of the receipts of public and miscellaneous revenues are often difficult to measure, therefore, they are recorded as revenue in the period received.

Note 3 - CASH

The Council maintains a consolidated operating bank account at a bank, which is available for use by all funds to deposit revenues and pay expenses. The purpose of this consolidated account is to reduce administrative costs and facilitate cash management. The consolidated account also allows those funds with available cash resources to temporarily cover any negative cash balances in other funds.

At year end, the carrying amount of the Council's cash balances was \$119,750, whereas, the bank balances totaled \$170,718. The difference in the book and bank balances for cash balances relates primarily to outstanding deposits and checks at year end. Bank balances of \$170,718 were collateralized by FDIC insurance.

Webster Voluntary Council on Aging Inc
Notes to the Financial Statements
June 30 2014

Note 4 - IN-KIND CONTRIBUTIONS

The Council received a variety of in-kind contributions during the year but it does not record the fair value of them in its government-wide and fund financial statements except for the donation of capital assets. In the case of a donation of a capital asset, accounting principles for governmental entities require the fair value of a donated capital asset be recorded in the Statement of Activities at the time of acquisition. However, these same principles do not permit the recording of the fair value of capital assets (or other in-kind contributions) in the fund financial statements because of the measurement focus of such statements.

Note 5 - CHANGES IN CAPITAL ASSETS AND ACCUMULATED DEPRECIATION

A summary of changes in capital assets and accumulated depreciation is as follows:

Capital Assets	Balance 7/1/2013	Increase	Decrease	Balance 6/30/2013
Building	\$ 342,358	\$1,419,992	\$ -	\$ 1,762,350
Land	126,000	-	-	126,000
Vehicles	94,773	-	(16,899)	77,874
Furniture and Equipment	55,793	-	-	55,193
Subtotal	<u>618,924</u>	<u>\$ 1,419,992</u>	<u>(16,899)</u>	<u>\$ 2,022,017</u>
Accumulated Depreciation				
Building	4,037	15,003	-	19,010
Vehicles	53,464	7,933	(16,899)	44,498
Furniture and Equipment	42,279	8,664	-	50,943
Subtotal	<u>99,780</u>	<u>31,600</u>	<u>(16,899)</u>	<u>114,481</u>
Net Assets	<u>\$ 519,144</u>	<u>\$ 1,388,392</u>	<u>\$ -</u>	<u>\$ 1,907,536</u>

Depreciation was charged to governmental activities as follows:

IIIB Supportive Services	\$ 10,256
IIIC-1	5,196
Administration	<u>16,149</u>
Total	<u>\$ 31,600</u>

Webster Voluntary Council on Aging Inc
Notes to the Financial Statements
June 30 2014

Note 6 BOARD OF DIRECTORS' COMPENSATION

The Board of Directors is a voluntary board therefore no compensation has been paid to any member. However, board members are reimbursed for any out-of-pocket costs they might incur on behalf of the Council in accordance with the Council's applicable reimbursement policy.

Note 7 - INCOME TAX STATUS

The Council, a non-profit corporation, is exempt from federal income taxes under Section 501 (c) (3) of the Internal Revenue Code of 1986 and as an organization that is not a private foundation as defined in Section 509 (a) of the Code. The Council is also exempt from Louisiana income tax.

Note 8 - RISK MANAGEMENT

The Council is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, job related illnesses or injuries to employees, and natural disasters. The Council has purchased commercial insurance to cover or reduce the risk of loss that might arise should one of these incidents occur. There have been no significant reductions in coverage from the prior year. No settlements were made during the current or prior three fiscal years that exceeded the Council's insurance coverage.

The Council's management has not purchased commercial insurance or made provision to cover or reduce the risk of loss, as a result of business interruption and certain acts of God.

Webster Voluntary Council on Aging, Inc
Notes to the Financial Statements
June 30 2014

Note 11 - INTERFUND RECEIVABLES AND PAYABLES

Because the Council operates most of its programs under cost reimbursement type grants, it has to pay for costs using its General Fund money and then request reimbursement for the advanced costs under the grant programs. Such advances create short-term inter-fund loans in the Fund Financial Statements. A summary of those interfund loans at year end is as follows:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ -	\$ 3,493
Special Revenue	<u>3,493</u>	<u>-</u>
Total	<u>\$ 3,493</u>	<u>\$ 3,493</u>

These loans have been eliminated as a part of the consolidation process in preparing the Government-Wide Financial Statements.

Note 12 - INTERFUND TRANSFERS

Interfund transfers are listed by fund for the fiscal year as follows:

<u>TRANSFER TO</u>	<u>LOCAL</u>	<u>PCOA</u>	<u>NSIP</u>	<u>SENIOR CENTER</u>	<u>TOTAL</u>
IIIC 1 CONGREGATE MEALS	\$ 4,508	\$ 31,572	\$ 15,000	\$ 2,729	\$ 53,808
IIIC 2 HOME DELIVERED MEALS	628		16,284		16,912
IIIE CAREGIVER	2,483				2,483
IIIB ADMINISTRATION	109	2,258	-		2,367
IIID - PREVENTIVE HEALTH	757		-	-	757
IIIB - SERVICES	14,879		-	65,949	80,828
	<u>23,364</u>	<u>\$ 33,830</u>	<u>\$ 31,284</u>	<u>\$ 68,678</u>	<u>\$ 157,156</u>

Webster Voluntary Council on Aging, Inc
Notes to the Financial Statements
June 30, 2014

Note 13 ECONOMIC DEPENDENCY

The Council receives the majority of its revenue from other governments in the form of intergovernmental revenues. Intergovernmental type revenues are appropriated each year by the federal, state, and local governments. If significant budget cuts are made at the federal, state, and/or local level, the amount of funds the Council receives could be reduced significantly and have an adverse impact on its operations. Management is not aware of any actions that will adversely affect the amount of funds the Council will receive in the fiscal 2015 relating to its usual sources of intergovernmental revenues.

Note 14 RELATED PARTY TRANSACTIONS

There were no related party transactions during the fiscal year.

Note 15 SUBSEQUENT EVENTS

Management has evaluated subsequent events through January 25, 2015, which is the date the financial statements were available to be issued, and determined no additional disclosures are necessary.

WEBSTER VOLUNTARY COUNCIL ON AGING, INC

Budgetary Comparison General Fund

For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>	<u>GAAP</u> <u>Basis</u>	<u>Favorable</u> <u>(Unfavorable)</u>
<u>REVENUES</u>				
Intergovernmental				
Governor's Office of				
Elderly Affairs	\$	\$	\$	\$
State of Louisiana				
Division of Administration	1 231 478	1 231 478	1 172 991	58 487
Webster Parish Police Jury	25 000	25 000	25 000	
FEMA				
Public Support				
Restricted Utility Program				
Client Contributions				
Miscellaneous	12 970	10 179	31 568	\$ 21 389
Total Revenues	<u>\$ 1 269 448</u>	<u>\$ 1 266 657</u>	<u>\$ 1 229 559</u>	<u>\$ 79 876</u>
<u>EXPENDITURES</u>				
Salaries	\$	\$	\$	\$
Fringes				
Travel				
Operating Services			10 874	(10 874)
Operating Supplies			1 276	(1 276)
Other Costs		17 223		17 223
Utility Assistance				
Capital Outlay	1 466 265	1 466 265	1 419 992	46 273
Total Expenditures	<u>\$ 1 466 265</u>	<u>\$ 1 483 488</u>	<u>\$ 1 432 142</u>	<u>\$ 51 346</u>
Excess(deficiency) of revenues over expenditures	\$ (196 817)	\$ (216 831)	\$ (202 583)	\$ 14 248
<u>OTHER FINANCING SOURCES(USES)</u>				
Operating transfers in	\$	\$	\$	\$
Disposal of fixed assets		14 133	14 133	
Operating transfer out	(37 970)	(10 179)	(23 364)	(13 185)
	<u>\$ (37 970)</u>	<u>\$ 3 954</u>	<u>\$ (9 231)</u>	<u>\$ (13 185)</u>
Excess(deficiency) of revenues and other sources over expenditures and other uses	\$ (234 787)	\$ (212 877)	\$ (211 814)	\$ 1 063
<u>FUND BALANCES</u>				
Beginning of year	325 454	325 454	325 454	
End of year	<u>\$ 90 667</u>	<u>\$ 112 577</u>	<u>\$ 113 640</u>	<u>\$ 1 063</u>

WEBSTER VOLUNTARY CAOUNCIL ON AGING, INC**Budgetary Comparison Supportive Services****For the Year Ended June 30, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	Variance with Final Budget
<u>REVENUES</u>	<u>Original</u>	<u>Final</u>	<u>GAAP</u> <u>Basis</u>	<u>Favorable</u> <u>(Unfavorable)</u>
Intergovernmental				
Governor's Office of				
Elderly Affairs	\$ 76 227	\$ 91 227	\$ 76 227	\$ (15 000)
Webster Parish Police Jury	6 867			
FEMA				
Public Support				
Restricted Utility Program				
Client Contributions	13 578	5 000	7 904	\$ 2 904
Total Revenues	<u>\$ 96 672</u>	<u>\$ 96 227</u>	<u>\$ 84 131</u>	<u>\$ (12,096)</u>
<u>EXPENDITURES</u>				
Salaries	\$ 107 550	\$ 92 136	\$ 102 255	\$ (10 119)
Fringes	8 228	8 519	8 073	446
Travel	7 873	6 412	5 930	482
Operating Services	24 796	24 266	33 057	(8 791)
Operating Supplies	15 746	15 873	15 744	129
Other Costs	3 146		(100)	100
Utility Assistance				
Capital Outlay				
Total Expenditures	<u>\$ 167 339</u>	<u>\$ 147 206</u>	<u>\$ 164,959</u>	<u>\$ (17 753)</u>
Excess(deficiency) of revenues over expenditures	\$ (70 667)	\$ (50 979)	\$ (80 828)	\$ (29 849)
<u>OTHER FINANCING SOURCES(USES)</u>				
Operating transfers in	\$ 70 636	\$ 54 125	\$ 80 828	\$ 26 703
Operating transfer out				
	<u>\$ 70 636</u>	<u>\$ 54 125</u>	<u>\$ 80 828</u>	<u>\$ 26 703</u>
Excess(deficiency)of revenues and other sources over expend itures and other uses	\$ (31)	\$ 3 146	\$	\$ (3 146)
<u>FUND BALANCES</u>				
Beginning of year				
End of year	<u>\$ (31)</u>	<u>\$ 3 146</u>	<u>\$</u>	<u>\$ (3 146)</u>

WEBSTER VOLUNTARY CAOUNCIL ON AGING, INC

Budgetary Comparison Title III C 1

For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	Variance with Final Budget
<u>REVENUES</u>	<u>Original</u>	<u>Final</u>	<u>GAAP</u> <u>Basis</u>	<u>Favorable</u> <u>(Unfavorable)</u>
Intergovernmental				
Governor's Office of				
Elderly Affairs	\$ 79 702	\$ 79 702	\$ 79 702	\$
Webster Parish Police Jury	8 579			
FEMA				
Public Support				
Restricted Utility Program				
Client Contributions	15 094	15 000	19 922	\$ 4 922
Total Revenues	<u>\$ 103 375</u>	<u>\$ 94 702</u>	<u>\$ 99 624</u>	<u>\$ 4 922</u>
<u>EXPENDITURES</u>				
Salaries	\$ 53 642	\$ 47 046	\$ 50 992	\$ (3 946)
Fringes	4 104	4 350	3 980	370
Travel	554	343	113	230
Operating Services	11 622	14 728	16 987	(2 259)
Operating Supplies	1 583	1 385	1 371	14
Other Costs	74 600	81 039	79 989	1,050
Utility Assistance				
Capital Outlay				
Total Expenditures	<u>\$ 146 105</u>	<u>\$ 148 891</u>	<u>\$ 153 432</u>	<u>\$ (4 541)</u>
Excess(deficiency) of revenues over expenditures	\$ (42 730)	\$ (54,189)	\$ (53 808)	\$ 381
<u>OTHER FINANCING SOURCES(USES)</u>				
Operating transfers in	\$ 42 729	\$ 54 189	\$ 53 808	\$ (381)
Operating transfer out				
	<u>\$ 42 729</u>	<u>\$ 54 189</u>	<u>\$ 53 808</u>	<u>\$ (381)</u>
Excess(deficiency)of revenues and other sources over expend itures and other uses	\$ (1)	\$	\$	
<u>FUND BALANCES</u>				
Beginning of year				
End of year	<u>\$ (1)</u>	<u>\$</u>	<u>\$</u>	

WEBSTER VOLUNTARY CAOUNCIL ON AGING, INC

Budgetary Comparison Title III C 2

For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>	<u>GAAP</u> <u>Basis</u>	<u>Favorable</u> <u>(Unfavorable)</u>
<u>REVENUES</u>				
Intergovernmental				
Governor s Office of				
Elderly Affairs	\$ 114 910	\$ 114 910	\$ 114 910	\$
Webster Parish Police Jury	7 024	1 205		
FEMA				
Public Support				
Restricted Utility Program				
Client Contributions	12 091	12 000	9 190	\$ (2 810)
Total Revenues	<u>\$ 134 025</u>	<u>\$ 128 115</u>	<u>\$ 124 100</u>	<u>\$ (2 810)</u>
<u>EXPENDITURES</u>				
Salaries	\$ 57 164	\$ 53 413	\$ 52 242	\$ 1 171
Fringes	4 373	4 939	4 126	813
Travel	8 957	9 133	7,914	1 219
Operating Services	11 622	13 987	16 949	(2 962)
Operating Supplies	1 308	1 043	1 097	(54)
Other Costs	65 600	60 600	58 684	1 916
Utility Assistance				
Capital Outlay				
Total Expenditures	<u>\$ 149 024</u>	<u>\$ 143 115</u>	<u>\$ 141 012</u>	<u>\$ 2 103</u>
Excess(deficiency) of revenues over expenditures	\$ (14 999)	\$ (15 000)	\$ (16 912)	\$ (1 912)
<u>OTHER FINANCING SOURCES(USES)</u>				
Operating transfers in	\$ 15 000	\$ 15 000	\$ 16 912	\$ 1 912
Operating transfer out				
	<u>\$ 15 000</u>	<u>\$ 15 000</u>	<u>\$ 16 912</u>	<u>\$ 1 912</u>
Excess(deficiency)of revenues and other sources over expend itures and other uses	\$ 1	\$	\$	\$
<u>FUND BALANCES</u>				
Beginning of year				
End of year	<u>\$ 1</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

WEBSTER VOLUNTARY CAOUNCIL ON AGING, INC

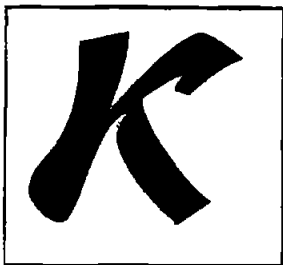
Combining Statement of Program Revenues Expenditures
and Changes in Fund Balances
Non Major Special Revenue Funds
For the Year Ended June 30, 2014

<u>REVENUES</u>	<u>ACT 735</u>	<u>AUDIT</u>	<u>TITLE III B ADMIN</u>	<u>SENIOR CENTER</u>	<u>TITLE III D</u>	<u>TITLE III E</u>	<u>UTILITY ASSIST</u>	<u>EFSP</u>	<u>NSIP</u>	<u>TOTALS</u>
Intergovernmental										
Governor s Office of										
Elderly Affairs	\$ 37 500	\$ 1 769	\$ 25 576	\$ 68 678	\$ 3 948	\$ 25 079	\$	\$	\$ 31 284	\$ 193 834
FEMA								2 000		2 000
Public Support										
Restricted-Utility Program							5 209			5 209
Client Contributions						2 473				2 473
Total Revenues	<u>\$ 37,500</u>	<u>\$ 1,769</u>	<u>\$ 25,576</u>	<u>\$ 68,678</u>	<u>\$ 3,948</u>	<u>\$ 27,552</u>	<u>\$ 5,209</u>	<u>\$ 2,000</u>	<u>\$ 31,284</u>	<u>\$ 203,516</u>
<u>EXPENDITURES</u>										
Salaries	\$	\$	\$ 17 805	\$	\$ 1 226	\$ 22 241	\$	\$	\$	\$ 41 272
Fringes			1 386		110	1 758				3 254
Travel	1 925		267		1	2 221				4 414
Operating Services	1 745	1 769	7 919		726	3 583		829		16 571
Operating Supplies			566		242	232				1 040
Other Costs					2 400					2 400
Utility Assistance							7 874			7 874
Capital Outlay										
Total Expenditures	<u>\$ 3 670</u>	<u>\$ 1 769</u>	<u>\$ 27 943</u>	<u>\$</u>	<u>\$ 4 705</u>	<u>\$ 30 035</u>	<u>\$ 7 874</u>	<u>\$ 829</u>	<u>\$</u>	<u>\$ 76 825</u>
Excess(deficiency) of revenues over expenditures	\$ 33 830	\$	\$ (2,367)	\$ 68 678	\$ (757)	\$ (2 483)	\$ (2 665)	\$ 1 171	\$ 31 284	\$ 126 691
<u>OTHER FINANCING SOURCES(USES)</u>										
Operating transfers in	\$	\$	\$ 2 367	\$	\$ 757	\$ 2 483	\$	\$	\$	\$ 5 607
Operating transfer out	(33 830)			(68 678)					(31 284)	(133 792)
	<u>\$ (33 830)</u>	<u>\$</u>	<u>\$ 2 367</u>	<u>\$ (68 678)</u>	<u>\$ 757</u>	<u>\$ 2 483</u>	<u>\$</u>	<u>\$</u>	<u>\$ (31 284)</u>	<u>\$ (128 185)</u>
Excess(deficiency)of revenues and other sources over expend itures and other uses	\$	\$	\$	\$	\$	\$	\$ (2 665)	\$ 1 171	\$	\$ (1 494)
<u>FUND BALANCES</u>										
Beginning of year							4 987			4 987
End of year	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>2 322</u>	<u>\$ 1 171</u>	<u>\$</u>	<u>\$ 3 493</u>

WEBSTER VOLUNTARY CAOUNCIL ON AGING, INC

**Comparative Statement of General Fixed Assets
and Changes in General Fixed Assets
For the Year Ended June 30 2014**

	July 1	2013 Additions	Deletions	Balance June 30 2014
General Fixed Assets at Cost				
Automotive equipment	\$ 94,773	\$	\$ (16,899)	\$ 77 874
Furniture & equipment	40,338	-		40,338
Recreation equipment	5 495			5 495
Buildings	342,358	1 419 992		1,762,350
Land	126,000			126 000
Other equipment	9,960			9,960
	<u>\$ 618,924</u>	<u>\$ 1 419 992</u>	<u>\$ (16 899)</u>	<u>\$ 2 022 017</u>
Investment in General Fixed Assets				
PCOA	\$ 6 708	\$	\$	\$ 6 708
State of Louisiana	286 968	1 172,991		1,459,959
DOTD	62 305			62,305
Local	262,943	247,001	(16,899)	493 045
	<u>\$ 618,924</u>	<u>\$ 1 419,992</u>	<u>\$ (16 899)</u>	<u>\$ 2 022 017</u>



Roland D. Kraushaar

Certified Public Accountant

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**REPORT ON COMPLIANCE AND OTHER MATTERS AND ON
INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENTAL AUDITING STANDARDS**

Independent Auditor's Report

Webster Voluntary Council on
Aging, Inc
Minden Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Webster Voluntary Council on Aging, Inc as of and for the year ended June 30 2014, and the notes to the financial statements which collectively comprise the Webster Voluntary Council on Aging Inc 's basic financial statements and have issued my report thereon dated January 25, 2015

Internal Control over Financial Reporting

In planning and performing my audit of the financial statement I considered the Council's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Council s internal control over financial reporting Accordingly I do not express an opinion on the effectiveness of the Council s internal control over financial reporting

A deficiency in internal control exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions to prevent or detect and correct misstatements on a timely basis A material weakness is a deficiency or a combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis A significant deficiency is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance

My consideration of internal control over financial reporting was for the limited purpose described in the first

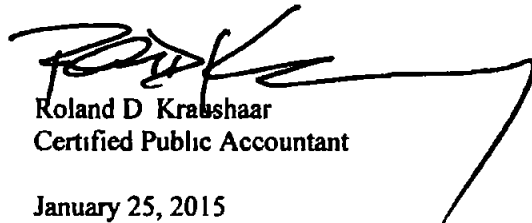
paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses, or significant deficiencies may exist that were not identified. Given these limitations, during my audit, I did not identify any deficiencies in internal control that I consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Webster Voluntary Council on Aging, Inc.'s financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed an instance of noncompliance or other matter that is required to be reported under Government Auditing Standards and is described in the accompanying schedule of findings and questioned costs as item 2014.1

Purpose of this report

The purpose of this report is intended solely to describe the scope of my testing of the internal control and compliance and the results of that testing and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Roland D. Kraushaar
Certified Public Accountant

January 25, 2015

WEBSTER VOLUNTARY COUNCIL ON AGING INC

Schedule of Findings and Questioned Costs

June 30 2014

SUMMARY OF AUDIT RESULTS

- 1 The auditor's report expresses an unqualified opinion on the financial statements
- 2 No deficiency which would be considered to be a material weakness in internal control over financial reporting was disclosed during the audit
- 3 No instances of noncompliance material to the financial statement was disclosed during the audit

FINDING #2014.1

Condition The audit report is required to be submitted within six months of the end of the fiscal year

Criteria The State of Louisiana requires that annual audits be submitted within six months of the year end. This report was not issued until nearly eight months after the year ended.

Cause The condition is due to a change in auditors, scheduling conflicts and health issues with both the auditor and Council management

Recommendation Engagement for the audit should be secured prior to the end of the fiscal period in order to assure that adequate time is available to perform and submit the audit in a timely fashion

Management's Response We concur with the finding. We will make every effort to secure an approved engagement prior to the end of the fiscal year and to assure that the audit is timely filed

WEBSTER VOLUNTARY COUNCIL ON AGING INC

Summary Schedule of Prior Year Findings

For the Year Ended June 30 2013

FINDING #2013 -1

The segregation of duties is inadequate to provide effective internal control

STATUS Management has addressed the issue by more closely monitoring the accounting functions and assigning personnel to review all banking activity